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MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT : Suggested Functions and Organization of the Personnel Office

1. Returned herewith is a proposed organization chart and statement of functions relating to the Personnel Office. You had requested the comments of this Office and Mr. Meloon on the attached. Mr. Meloon has studied this proposal and there is attached a memorandum signed by Mr. Meloon's deputy, []

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[] However, this report does reflect Mr. Meloon's views. (Tab A)

2. One of the principle features of the proposal concerns the proper placement of the Personnel function in the CIA organizational structure. It is suggested in the alternative that a Director of Personnel be directly responsible to the DCI or that possibly there should be a Deputy Director of CIA for Personnel matters and also responsible directly to the Director. In the recent past there was considerable body of opinion among management engineers that the ^{top} ~~proper~~ personnel official should report directly to the head of an organization. In the present CIA organization this matter was specifically considered. There was analyzed the management trend toward placing responsibility for men, money, and materiel in a principle ^{al} administrative officer who in turn reported ^s to the head of the organization. The principles underlying the new thinking seemed applicable to CIA and consequently this thinking was adopted in the present DD/A organizational concept. It is believed that the responsibility for planning the policies affecting the procurement and use of resources required to accomplish the Agency's functions properly rests in one point. The functions of Personnel, Comptroller, and Logistics are interrelated and require close coordination. There are no reasons in ^{my} ~~any~~ opinion why this principle should be changed at this time. The Personnel Policy Committee of the Hoover Commission stated that if there were an officer vested with top management responsibility then his job should comprise

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"responsibility for administrative management throughout the agency, including personnel, budgeting, management staff services, and general office services."

a. I am in agreement that the Personnel function is one of extreme importance and particularly so in CIA where the product of the Agency is qualitative rather than quantitative thus being dependent in a large degree upon highly competent and extensively trained personnel. To accomplish that mission, ^{however} it is not believed ^{necessary or} desirable to establish a new function reporting directly to the DCI. To do so would only bring additional burdens to the DCI when in the present concept many of such problems are screened and resolved below the Director's level.

b. From an economy standpoint it is believed that the establishing of a Deputy Director for Personnel would result in creation of a staff and additional positions which would not necessarily decrease existing staffs or positions elsewhere.

3. There are several specific functions included in the proposal which are deserving of separate comment:

a. The proposed functions of the Personnel Office would appear to indicate that the Medical Staff would be included. At one time the Medical Staff was a part of the Personnel Office. Due to the participation of Medical in operational medical problems and for other reasons, the Medical Staff was transferred from Personnel. However, there remains considerable merit, in my opinion, to the view that organizationally, Medical should be a part of the Personnel Office

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b. A proposed function ^{also} ~~again~~ would seem to indicate that the Security Office would be a part of the Personnel Office structure. While this situation is true in a number of Government agencies, I believe that ^{the} Security ^{office} has a much larger meaning and ^{more} ~~additional~~ functions than contemplated in other security

organizations. The coordination between Security and the Personnel Office is accomplished adequately at this time both through ^{the} working level and through over-all supervision from the DD/A. I believe the operational aspects of security are sufficient so that it should not be considered a part of the Personnel structure.

c. The proposed statement of functions would indicate the operation of some training functions. This problem has been the subject of considerable study over the years and in view of the very special type of training required in operational fields it has been generally agreed that the training functions as such should not be a part of the Personnel structure, ^{and it also has been agreed} ~~nor for that matter~~ *in the past that it should not* ~~should it~~ be a part of the over-all administrative structure. The proposed *statement* of functions would appear to indicate only part of the training functions would be involved. However, it would seem appropriate to me that there be no division of the training function and that it should remain in one unit.

4. The proposed position of Chief of Personnel, DDP is not sufficiently explained to give a clear concept of what his ^{responsibilities} ~~functions~~ would be. The reference to having proper information on returnees from the covert service is at present available in the Personnel Office. If more than this is intended, it would appear to run contrary to the accepted concept of centralized administration. I believe it can be safely said that the present Chief of Administration, Office of the Deputy Director (Plans) does not desire a separate ^{personnel} administrative staff ^{with} ~~which~~ which concept I agree.

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25X1A 5. For some time and I have discussed the proper organizational set up of the Office of the Deputy Director (Administration). As mentioned before this ~~Office~~ was established on the concept of providing support to the operating offices to enable them to fulfill their mission. That support is conceived of in terms of men, money, and material.

a. In line with that thinking it is believed that there are possible advantages to establishing under the Assistant Director for Personnel the additional function of the Medical Staff. Additional thought has been given to the desirability of including the Office of Training under the DD/A to effect closer coordination of the training and personnel functions and further to eliminate another function reporting directly to the Director.

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b. It has long been our belief that the Office of the General Counsel and the Auditor-in-Chief properly should report directly to the DCI. In fact those offices by common consent do operate in a semi-autonomous fashion.

6. In summary I can say that generally I agree with the rest of the specific functions of a Personnel Office as set forth in the proposal with certain aspects. Those aspects have been mentioned above and relate to the placing of security and some training functions in the Personnel Office. Further there are not enough facts on which I would agree that a Chief of Personnel, DD/P is necessary or desirable. Finally, I am not in agreement with the principle that a new component namely Personnel should be established reporting directly to the DCI.